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10 **UNITED STATES DISTRICT COURT**
11 **CENTRAL DISTRICT OF CALIFORNIA**

12 PENSKE MEDIA CORPORATION,
13 dba PMC, a Delaware corporation,
14 Plaintiff,

15 v.

16 PROMETHEUS GLOBAL MEDIA,
17 LLC, a Delaware limited liability
company d/b/a hollywoodreporter.com;
and DOES 1 through 10, inclusive,

18 Defendants.

19) Case No.: CV 11-7560-JST (MRW)
20) Hon. Josephine Staton Tucker
21) Magistrate: Hon. Michael R. Wilner

22) **DISCOVERY MATTER:**
DEFENDANT PROMETHEUS
GLOBAL MEDIA, LLC'S NOTICE
OF MOTION AND JOINT
STIPULATION RE: FURTHER
RESPONSES TO WRITTEN
DISCOVERY PROPOUNDED TO
PLAINTIFF PENSKE MEDIA
CORPORATION

23) **DECLARATIONS OF ANTHONY
SBARDELLATI AND STEVEN B.
STIGLITZ; AND [PROPOSED]
ORDER (filed concurrently)**

24) Action filed: September 14, 2011
Discovery Cut-off: November 9, 2012
Pre-Trial Conf.: June 28, 2013
Trial Date: July 9, 2013
Hearing Date: January 9, 2013

TO ALL PARTIES AND TO THEIR RESPECTIVE ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE THAT, on January 9, 2013 at 9:30 a.m. or as soon thereafter as this matter may be heard by the above-titled Court, located at 312 North Spring Street Los Angeles, CA 90012, Courtroom H (9th Floor), pursuant to Federal Rules of Civil Procedure 26, 33, 34 and 37, and Local Rules 37-1, 37-2, Defendant Prometheus Global Media LLC (“Prometheus”) will and hereby does move, as set forth in the attached Joint Stipulation to this Court, for an order compelling Plaintiff Penske Media Corporation (“Penske”) to provide further responses to Prometheus’s First Set of Interrogatories (Interrogatories 1 and 2), and to produce documents responsive to Prometheus’s First Set of Requests for Production (RFPs 1-3) and Prometheus’s Second Set of Requests for Production (RFP 4).

Prometheus submits this Joint Stipulation on the ground that Penske lacks substantial justification to object to the discovery at issue, which relates to core issues in this case, including:

(1) Identification of the work that Penske claims was infringed, and the validity of the registration of that work with the U.S. Copyright Office; and

(2) Penske's alleged damages, including its purported eligibility for statutory damages.

This Notice of Motion and Motion is based on the attached Joint Stipulation, all points and authorities cited therein, the accompanying declaration of Anthony Sbardellati and the attached exhibits thereto, any relevant matters of which the Court may take judicial notice, and any argument of counsel that shall be permitted at the hearing of this Motion.

1 Counsel for the parties met and conferred regarding Penske's discovery responses
2 to Interrogatories 1 and 2 and RFPs 1-3 on July 11, 2012 in compliance with Local Rule
3 37-1. *See* Sbardellati Decl. ¶ 8 & Ex. G (Meet and Confer Letter); *id* ¶ 9 (Telephonic
4 Meet and Confer Session).

5
6 DATED: November 28, 2012 SAUER & WAGNER LLP

7
8 By: /s/
9 Eve H. Wagner

10 *Attorneys for Defendant*
11 Prometheus Global Media LLC

I. DEFENDANT PROMETHEUS'S INTRODUCTORY STATEMENT

Defendant Prometheus Global Media LLC (“Prometheus”) submits this Motion to Compel in conjunction with the Motion to Compel filed by Plaintiff Penske Media Corporation (“Penske”).

Penske’s complaint makes a single legal claim, for copyright infringement arising out of Prometheus’s brief use of a small amount of computer code that a contractor copied from a website owned by Penske called TVLine.com. The code related to a generic website function called a “carousel,” which causes images on a website page to rotate through a central frame. Carousels appear on hundreds of well-known websites, and are typically created using open-source code that is free and available to anyone, as was the case with Penske’s TVLine carousel. In order to defend against Penske’s claim, Prometheus requested narrow, targeted discovery aimed at learning exactly what material Penske contends was protected by copyright. Penske responded by refusing to produce any information whatsoever.

Along with its Complaint, Penske filed a “Report on the Filing or Determination of an Action or Appeal Regarding a Copyright” (ECF No. 3), indicating that Penske had registered eight different versions of its carousel code with the U.S. Copyright Office. Although these registrations were all made on September 13, 2011 – the day before Penske filed suit – Penske stated on the registrations that the 8 separate versions of code were used on the TVLine website beginning on eight different dates from January 2011 through July 2011. Each registration “disclaimed” a portion of the code as publicly-available material over which Penske claims no copyright interest.

Through two Interrogatories and three Requests for Production (“RFPs”), Prometheus sought to obtain:

- complete copies of the eight separate versions of the carousel code for which Penske made copyright registrations
- explanations of how these eight versions differed from one another, and from the open-source, publicly-available material that Penske disclaimed; and
- documents relating to Penske's creation of each version of the code.

Such information is directly relevant to defending Penske’s claim that each “version” of the code was copyrightable; if it was not, then Penske has no claim for infringement. It is also relevant to determining whether the particular portion of code that the contractor copied was even copyrightable in the first place; again, if it was not, then Penske has no claim. With respect to Penske’s damages claim, the discovery is necessary to assess whether the eighth and final version of the code was sufficiently different from the predecessor versions to be copyrightable. If it was not, then Penske has no claim for statutory damages.

This motion arises in an unusual procedural context, which warrants explanation. There has been little discovery activity in this case while the parties have focused on mediation. The mediation thus far has not resulted in settlement. With a November 9 discovery cutoff date approaching, the parties recently requested an extension of discovery deadlines. The Court twice rejected that request. *See* Sbardellati Decl. ¶ 11. Per the Court’s orders, discovery motions were due to be filed not later than November 19. *See Id.* ¶ 13 & Ex. J at § 4. Accordingly, in Prometheus’s view, discovery is over, discovery motions are untimely, and the parties must simply go forward. Specifically, Prometheus believes that Penske’s Motion to Compel is untimely (as well as meritless).

Nonetheless, Penske is attempting to get its motion heard, and we recognize that it is possible that the Court will decide to consider it. In that event, Prometheus believes,

1 fairness demands that not just Penske but both sides should be heard as to discovery
2 requests that were outstanding at the November 9 cutoff, whether or not the motion to
3 compel process had been initiated prior to that date. Prior to the cutoff, Penske had
4 stonewalled Prometheus on a number of core discovery items. Those items are the
5 subject of this motion by Prometheus. If the Court concludes that discovery motions are
6 untimely (as, again, Prometheus believes to be the case), then Prometheus will be
7 prepared to move forward accordingly. If the Court concludes that discovery motions
8 can still be heard, then the Court should deny Penske's motion and compel Penske to cure
9 its own discovery defaults.

10 **II. PLAINTIFF PENSKE MEDIA CORP'S INTRODUCTORY STATEMENT**

11 This case arises from The Hollywood Reporter's blatant word-for-word copying of
12 the source code used to create the website homepage for TVLine.com, another top media
13 source that focuses on the entertainment industry. The parent company of TVLine.com,
14 Plaintiff Penske Media Corporation ("Penske"), caught The Hollywood Reporter red-
15 handed and promptly filed this lawsuit for copyright infringement against the parent
16 company of The Hollywood Reporter, Defendant Prometheus Global Media, LLC
17 ("Prometheus").

18 Prometheus' motion to compel seeks to fabricate a discovery dispute where one
19 does not exist. To the extent that Prometheus has requested any non-privileged
20 documents that are not already in Prometheus' possession, Penske proposed to produce
21 responsive documents, subject to entry of a protective order to protect confidential and/or
22 trade secret information and subject to mutual production by Prometheus of documents
23 that each side agrees is relevant. Further, days before Prometheus served its motion to
24 compel, Penske agreed to Prometheus' prior proposal that each side submit its proposed

1 protective order to the Magistrate so that the process could be completed without motion
2 practice. Therefore, Prometheus' motion incorrectly suggests that Penske prevented the
3 entry of a protective order by never responding to Prometheus' proposal regarding the
4 submission of competing protective orders. That is, Prometheus' motion easily could
5 have been avoided.

6 Leaving aside that Penske already agreed to produce responsive, non-privileged
7 documents, subject to a protective order, the requests for production are moot because
8 Prometheus seeks copies of documents that are already in its possession. Specifically,
9 Requests for Production Nos. 1-3 seek the various versions of source code that Penske
10 filed with the U.S. Copyright Office and documents related to the registration.

11 Prometheus even concedes in the motion that it recently obtained the source code that it
12 is seeking via a request to the U.S. Copyright Office, yet Prometheus nevertheless seeks
13 judicial intervention to force Penske to produce the same documents.¹ Prometheus' only
14 remaining issue is that the publicly available documents *appear* to be excerpts of the
15 material that Prometheus copied such that production of the remaining portions from
16 Penske might be required. However, Prometheus knew Penske's position since July and
17 did not pursue the discovery from that time until it suddenly served its portion of this
18 joint stipulation. Prometheus never attempted to resolve the discrepancy with Penske at
19 any time during the intervening four months. Had Prometheus met and conferred
20 regarding its concern after obtaining the documents from the U.S. Copyright Office,

21 ¹ Prometheus' motion does not specifically address the request for "related" documents.
22 Penske objected to that request on the grounds that such documents are protected by the
23 attorney-client privilege in that counsel assisted in and directed the preparation of the
24 registrations in connection with this lawsuit. Prometheus never addressed Penske's
objection. (Declaration of Steven B. Stiglitz ¶ 2.)

Penske would have (and still will, upon request) examine the material Prometheus obtained and provide any portions of the copyrighted material that Prometheus did not already obtain.

The same problem infects Prometheus' motion for a further response to Request for Production No. 4, which seeks documents relating to Penske's damages. To the extent Penske has documents relating to its lost profit damages (i.e. a reasonable royalty for the copied source code), Penske is willing to produce such documents subject to a protective order. Penske has no documents relating to Prometheus' profits from using the copied source code, as Penske believes that Prometheus' own internal documents are the only ones relating to the revenue Prometheus generated as a result of the infringement.

The two interrogatories at issue seek two separate types of information, neither of which is appropriate. First, the interrogatories seek a line-by-line comparison of the text of various versions of the source code. That is improper because it will be the subject of expert analysis. Further, given the upcoming expert disclosure deadline, this issue will be moot prior to the hearing on this motion. Second, the interrogatories seek a statement by Penske regarding its intent in making the changes reflected in each new version. That is improper because copyrightability does not depend on the author's intended functionality, but rather an intrinsic and extrinsic comparison of the text of the source code.

For the foregoing reasons, the Court should deny Prometheus' motion in its entirety.

**III. ARGUMENT: ISSUE #1: Identification of Material that Penske Claims Was
Validly Copyrighted (Interrogatories 1, 2; RFPs 1-3)²**

Interrogatory No. 1:

State with specificity how the January 5, 2011 version of the “Source Code for TV Line Website,” which you registered with the U.S. Copyright Office on September 13, 2011 (Registration No. 1-659849701 / TX 7-414-768), differs from the jQuery, jQuery UI, and jquery.pngFix.pack.js code that you disclaimed as pre-existing material when you registered the work (*i.e.*, state the number of lines of code that you did not disclaim, the content, functionality and purpose of the code that you did not disclaim, and exactly how the code that you did not disclaim affects the operation and appearance of the TVLine.com website).

Response to Interrogatory No. 1:

The Responding Party incorporates the general objections by reference as though stated in their entirety herein. The Responding Party further objects on the grounds that:

(1) The Interrogatory seeks information that is neither relevant to this litigation nor reasonably calculated to lead to the discovery of admissible evidence.

(2) The Interrogatory is overly broad and unduly burdensome in that it seeks a summary of differences that can be determined by reference to the material deposited with the U.S. Copyright Office (which is equally available to Defendant) and the disclaimed material (which consists of publicly available tools that assist in website development).

(3) The Interrogatory is compound.

(4) The Interrogatory seeks confidential business information protected as trade secret. Responding Party has met and conferred with Defendant regarding a potential protective order re: confidentiality, but Defendant has not yet agreed to terms that properly define the scope of confidential information and attorneys' eyes

² The headings relating to each issue were added by Prometheus. Penske disagrees with certain characterizations therein.

1 only information.
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(5) The Interrogatory is duplicative with Request for Production No. 1 and, to the extent that response is proper (despite Responding Party's contention that no response is required), Responding Party would produce the requested documents rather than prepare a summary of the documents requested.

5 Interrogatory No. 2:
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With respect to the other seven versions of the "Source Code for TV Line Website" that you registered with the U.S. Copyright Office on September 13, 2011 (*i.e.*, the other seven registrations to which PMC referred in its Report on the Filing or Determination of an Action or Appeal Regarding a Copyright (ECF No. 3)), state with specificity how each version differs from the previously published version (*i.e.*, with respect to each of the seven versions of the code published after the January 5, 2011 version, state, among any other differences, the number of lines of code that were added to and/or removed from the prior version, the content, functionality and purpose of any changes, and exactly how the changes to the prior version affected the operation and appearance of the TVLine.com website).

13 Response to Interrogatory No. 2:
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The Responding Party incorporates the general objections by reference as though stated in their entirety herein. The Responding Party further objects on the grounds that:

(1) The Interrogatory seeks information that is neither relevant to this litigation nor reasonably calculated to lead to the discovery of admissible evidence.

(2) The Interrogatory is overly broad and unduly burdensome in that it seeks a summary of differences that can be determined by reference to the material deposited with the U.S. Copyright Office (which is equally available to Defendant) and the disclaimed material (which consists of publicly available tools that assist in website development).

(3) The Interrogatory is compound.

(4) The Interrogatory seeks confidential business information protected as trade secret. Responding Party has met and conferred with Defendant regarding a potential protective order re: confidentiality, but Defendant has not yet agreed to

1 terms that properly define the scope of confidential information and attorneys' eyes
2 only information.

3 (5) The Interrogatory is duplicative with Request for Production No. 1 and,
4 to the extent that response is proper (despite Responding Party's contention that no
5 response is required), Responding Party would produce the requested documents
6 rather than prepare a summary of the documents requested.

7 RFP No. 1:

8 A copy of each deposit that you submitted to the U.S. Copyright Office in
9 connection with each of the eight versions of the "Source Code for TV Line
10 Website" that you registered with the Copyright Office (i.e., the eight registrations
11 to which PMC referred in its Report on the Filing or Determination of an Action or
Appeal Regarding a Copyright (ECF No. 3)).

12 Response to RFP No. 1:

13 The Responding Party incorporates the general objections by reference as though
14 stated in their entirety herein. The Responding Party further objects on the grounds
15 that:

16 (1) The Request seeks documents that are neither relevant to this litigation
17 nor reasonably calculated to lead to the discovery of admissible evidence in that
18 Defendant admits that its website contained an exact copy of Responding Party's
source code.

19 (2) The Request seeks documents that are equally available to responding
party through the U.S. Copyright Office.

20 RFP No. 2:

21 To the extent that the deposits you submitted to the U.S. Copyright Office in
22 connection with each of the eight versions of the "Source Code for TV Line
23 Website" did not consist of the entire source code for each of the versions of the
24 Source Code that you were registering (e.g., if you submitted only an excerpt of
any of the versions of source code that you were registering), a copy of the entire
version of the source code for each version of the "Source Code for TV Line

1 Website" that you registered (i.e., the complete source code for each of the eight
2 versions of the code to which PMC referred in its Report on the Filing or
Determination of an Action or Appeal Regarding a Copyright (ECF No. 3)).

3 Response to RFP No. 2:

4 The Responding Party incorporates the general objections by reference as though
5 stated in their entirety herein. The Responding Party further objects on the grounds
that:

6 (1) The Request seeks documents that are neither relevant to this litigation
nor reasonably calculated to lead to the discovery of admissible evidence in that
Defendant admits that its website contained an exact copy of Responding Party's
source code.

7 (2) The Request seeks documents that contain confidential business
information protected as trade secret. Responding Party has met and conferred with
Defendant regarding a potential protective order re: confidentiality, but Defendant
has not yet agreed to terms that properly define the scope of confidential
information and attorneys' eyes only information.

13 RFP No. 3:

15 All documents concerning the creation and/or registration of each of the eight
16 versions of the "Source Code for TV Line Website" that you registered with the
U.S. Copyright Office (i.e., the eight versions of the "Source Code for TV Line
Website" to which PMC referred in its Report on the Filing or Determination of an
Action or Appeal Regarding a Copyright (ECF No. 3)).

19 Response to RFP No. 3:

20 The Responding Party incorporates the general objections by reference as though
21 stated in their entirety herein. The Responding Party further objects on the grounds
that:

[Response to Request No. 4]³ (1) The Responding Party incorporates the general objections by reference as though stated in their entirety herein. The Responding Party further objects on the grounds that:

(1) The Request seeks documents that are neither relevant to this litigation nor reasonably calculated to lead to the discovery of admissible evidence in that Defendant admits that its website contained an exact copy of Responding Party's source code.

(2) The Request is overly broad and unduly burdensome in that it seeks all documents concerning a substantial project to develop the key module for the homepage of the TVLine website.

(3) The definition of the term "concerning," which is incorporated into the Request, is vague and ambiguous, making the entire request unintelligible.

(4) The Request seeks documents that contain confidential business information protected as trade secret. Responding Party has met and conferred with Defendant regarding a potential protective order re: confidentiality, but Defendant has not yet to terms that properly define the scope of confidential information and attorneys' eyes only information.

(5) The Request seeks documents that are protected by the attorney-client privilege and/or the work product doctrine.

A. Prometheus's Points and Authorities on Issue 1:

Penske can only have a valid claim for copyright infringement if the material copied was subject to copyright protection in the first place – which requires, among other things, that only an “original” work is protectible. NIMMER ON COPYRIGHT § 2.01. Prometheus therefore is entitled to explore exactly what material was subject to copyright protection. This is both so that Prometheus both defend against Penske’s claim that such material was original, and so that Prometheus can understand exactly what material Penske claims was infringed. Interrogatory 1 asks which portion of Penske’s code

³ The bracketed text is a typo included in Penske’s original response to RFP No. 3.

1 Penske was referring to when it disclaimed certain components of the code as non-
2 copyrightable. It also asks Penske to describe the function of the balance of the code.
3 This is basic information in a copyright case about code, and central to the assessment of
4 copyrightability.

5 When a party registers a copyright, it generally is required to submit a “deposit” of
6 that work to the U.S. Copyright Office, to serve as an identifier of the work being
7 registered. RFP No. 1 requests copies of the deposits submitted by Penske, so that
8 Prometheus can confirm the identity of, and analyze, the eight works over which Penske
9 claims copyright ownership. In addition, because the U.S. Copyright Office Rules
10 sometimes permit a registrant of voluminous computer code to submit only an excerpt of
11 such code, rather than the entire piece of code being registered, RFP No. 2 requested
12 copies of the full works being registered for copyright protection, in case the deposits
13 represented only excerpts. *See* U.S. Copyright Office Circular 61.

14 Having sued for infringement of its code, Penske cannot seriously argue that it is
15 entitled to withhold the code from Prometheus in discovery. Far from being “irrelevant”
16 as Penske argues, the material sought could not be more central. Penske itself stated in
17 its Initial Disclosures that it contemplated supporting its claims using “[t]he software
18 code that [Penske] used to create the Module and any related work product.” Penske’s
19 objection that such materials need not be provided because Prometheus’s website
20 contained an “exact copy of [TVLine’s] source code” is both incorrect and beside the
21 point. The code that appeared on Prometheus’s site was not an exact copy (that is, at the
22 very least, an issue of fact), and the fact that certain material was copied does not
23 establish (a) whether Penske’s code as a whole was copyrightable in the first place, or (b)
24 whether the portion of that code actually copied by Prometheus’s contractor was original

1 material rather than publicly-available material over which Penske could claim no
2 copyright interest. Simply put, Prometheus is entitled to know exactly what material
3 Penske is claiming copyright over, and claiming infringement of.

4 Prometheus is also entitled to know how each iteration of the Penske code differed
5 from the version preceding it. This is because a successor version can only be
6 copyrightable if it is substantially different from its predecessor, and a separate copyright
7 registration of a new version of a work applies only to the material that was added to the
8 prior version. NIMMER § 3.03[A] (“in order to qualify for a separate copyright as a
9 derivative ... work, the additional matter injected in a prior work ... must constitute more
10 than a minimal contribution.”); U.S. Copyright Office Circular 61 (“Registration of any
11 subsequent version [of a computer program] covers only the new or revised material
12 added to that version.”). Interrogatory 2 asks how each of the seven versions of code that
13 followed the first registered version differed from the version that preceded it, and RFPs
14 No. 1-3 seek copies of the different versions and documents related to their creation.
15 This is plainly relevant information – if Penske is claiming that each version is
16 copyrightable, it should produce documents that will allow Prometheus to assess the
17 work that was done to change each “version” to arrive at an allegedly independently
18 copyrightable new work. Penske’s relevance objection, again, is frivolous. In particular,
19 with respect to statutory damages, this information is relevant because only the final
20 version of Penske’s code was arguably timely registered for purposes of eligibility for
21 statutory damages, so if that version is not independently copyrightable, Penske cannot
22 seek statutory damages. *See* 17 U.S.C. § 412(2) (“[N]o award of statutory damages ...
23 shall be made for ... any infringement of copyright commenced after first publication of
24

1 the work and before the effective date of its registration, unless such registration is made
2 within three months after the first publication of the work.”).⁴

3 Penske’s objections other than relevance are equally meritless. First, Penske
4 refuses to answer Interrogatory No. 1, concerning which portions of the first version of
5 the carousel code Penske is disclaiming as not original, on the basis that Prometheus
6 should obtain the deposit of the first version of code from the Copyright Office and do its
7 own analysis to form a guess about which portions Penske is disclaiming. This is not a
8 proper objection – when Penske disclaimed portions of the code, it presumably had an
9 understanding of which portions it was disclaiming. Prometheus is entitled to know this
10 information in order to defend against Penske’s claim of infringement, and there is no
11 basis for the objection. Similarly, in response to Interrogatory No. 2, Penske could easily
12 tell Prometheus how the various versions of the code differed from the preceding version
13 by identifying the lines of code that were added and the functions that those lines of code
14 performed. Again, there is no basis for claiming that Prometheus is required to obtain the
15 deposits themselves and formulate a guess as to what Penske changed and what the
16 functions of the changes were (in addition, the deposits themselves may be incomplete
17 excerpts of the code). The Interrogatory is proper, and the objection is not.

18

19 ⁴ To protect against Penske’s failure to disclose, Prometheus has, in fact, requested,
20 paid for, and obtained copies of Penske’s deposits from the Copyright Office. Those
21 deposits do, in fact, appear to be excerpts, rather than complete sets of code.
22 Nonetheless, in addition to complete sets of each version of code, Prometheus still
23 requests that Penske be compelled to provide copies of the deposit material that it
24 submitted to the Copyright Office. The effort required by Penske to provide such copies
is de minimus, and having the copies will allow Prometheus to confirm that what it
obtained from the Copyright Office is the same as what Penske submitted to the
Copyright Office.

It is difficult to see how Penske can, with a straight face, bring a lawsuit alleging copyright infringement and then refuse to disclose or identify the works that it claims were subject to copyright protection. This discovery should be compelled.

B. Penske's Points and Authorities on Issue 1:

1. Penske Stands Ready, Willing and Able to Produce the Documents Demanded

Since July 2012, when the parties began meeting and conferring regarding the discovery at issue, Penske has always stated that it would intended to produce responsive, non-privileged documents, subject to the entry of a protective order. (Declaration of Steven B. Stiglitz ("Stiglitz Decl.") ¶ 2.) Several days prior to service of this motion to compel, Penske reiterated that offer and proposed that the parties should engage in mutual production of documents, subject to a protective order for those documents that contain confidential and/or trade secret information. (Stiglitz Decl. ¶ 3, Ex. A (Email from Steven B. Stiglitz to Anthony Sbardellati). Further, in light of the fact that Prometheus (and not Penske) is the party seeking a more strict protective order with unnecessary attorneys' eyes only provisions, Penske is willing to produce the requested documents subject to the terms of either side's proposed protective order.

2. The Documents Sought Are in Prometheus' Possession, Making this Discovery Dispute Unnecessary

Prometheus actually admits in the motion to compel that it already has a copy of Penske's submissions, which it obtained through the procedure outlined above. The only outstanding issue is whether the submissions to the U.S. Copyright Office contain the entire text of the source code that Penske sought to copyright. This issue would have been easy to resolve if Prometheus had informed Penske prior to serving its portion of

1 this joint stipulation that the U.S. Copyright Office's file appeared to contain mere
 2 excerpts. Again, given that Penske has always maintained that it would, subject to
 3 protective order, produce responsive documents that are not publicly available,
 4 Prometheus' failure to address the issue is the primary factor that prevented an informal
 5 resolution of this issue. Any problem is one of Prometheus' own making, yet Prometheus
 6 refuses to resolve the issue without motion practice.

7 3. The Interrogatories Seek Two Separate Analyses of Source Code, One
 8 of Which Is the Subject of Expert Testimony and the Other of Which
 9 Is Irrelevant

10 a. Prometheus' Request for a Line-by-Line Comparison Calls for
 11 Expert Testimony

12 To determine whether source code is copyrightable, the Court engages in "analytic
 13 dissection" to compare the source code to prior works. See Brown Bag Software v.
 14 Symantec Corp., 960 F.2d 1465, 1476 (9th Cir. 1992) (affirming summary judgment of
 15 copyright claim based on expert testimony which included analytic dissection). Expert
 16 testimony is appropriate for the purpose of conducting analytic dissection of source code
 17 because the analysis is objective. Id.⁵ Expert testimony is well-suited to cases arising
 18 from the copying of source code because the analytic dissection is the complete analysis.

19
 20
 21 ⁵ In addition, the intrinsic test relates to the overall look and feel of the two works. The
 22 motion does not argue that the discovery at issue is appropriate to evaluate differences in
 23 the "look and feel" between Penske's source code and the open source code that Penske
 24 used as a foundation. To the contrary, the entire purpose of the discovery is to engage in
 analytic dissection of the code on a line-by-line basis.

1 Here, Penske intends to present expert testimony comparing Penske's source code,
 2 Prometheus' copied version of the source code, and the open source code upon which
 3 Penske's code is based. That analysis would make the motion moot.

4 b. Prometheus' Request Regarding Penske's Intent Is Irrelevant

5 The non-literal elements of source code such as the author's purpose or the author's
 6 intended functionality cannot support a claim for copyright. See Oracle Am., Inc. v.
 7 Google Inc., 2012 U.S. Dist. LEXIS 75896 (N.D. Cal. May 31, 2012) (issuing judgment
 8 in favor of Google on grounds Oracle could not properly copyright the functionality of its
 9 Java APIs to prevent Google from engaging in non-literal copying to replicate certain
 10 functionality and reasoning that "[f]unctional elements essential for interoperability are
 11 not copyrightable" under section 102(b) of the Copyright Act).

12 Here, Prometheus improperly seeks discovery regarding irrelevant matter such as
 13 the "purpose" or the "functionality" of Penske's additions to the open source code that
 14 Penske used as a foundation. However, as stated by the court in Oracle, section 102(b) of
 15 the Copyright Act does not permit a person to copyright functionality. In that case, the
 16 issue was whether Google had infringed Oracle's copyrights to certain Java APIs by
 17 having its computer programmers re-engineer new and different source code that
 18 accomplished the same functionality. There, despite some similarities in the resulting
 19 source code, the court found that Google had not infringed Oracle's copyright because
 20 Google merely replicated Oracle's functionality.

21 Prometheus argues that it merely is seeking information regarding the scope of the
 22 source code submitted to the U.S. Copyright Office that Penske actually disclaimed, as
 23 though that were a relevant, non-expert issue, but Prometheus' argument is a red herring.
 24 Penske did not actually disclaim particular lines of source code. Rather, Penske created

1 source code for the carousel module on its website that includes software utilities
2 previously created by others. The U.S. Copyright Office does not require a copyright
3 claimant to analyze the submitted work line-by-line and then disclaim each line that
4 consisted of prior works. Rather, the U.S. Copyright Office merely requires a copyright
5 claimant to identify any prior work that forms a part of the submission. Given the fact
6 that expert testimony is required for an "analytic dissection" of the two works to
7 determine the scope of the copyright claimant's original contribution, it would be
8 impractical for a copyright claimant to determine the precise lines in its submission to the
9 U.S. Copyright Office that are original. Therefore, Penske did not actually disclaim
10 particular lines of source code in its submissions to the U.S. Copyright Office, and the
11 Court should not require Penske to do that now, except in connection with the
12 forthcoming expert reports.

12 **IV. ARGUMENT: ISSUE #2: Penske's Damages (RFP 4)**

13 RFP No. 4:

14 Any documents relevant to PMC's claim that it suffered damages as a result of the
15 alleged infringement of computer code.

16 Response to RFP No. 4:

17 The Responding Party incorporates the preliminary statement by reference as
18 though stated in their entirety herein. The Responding Party further objects on the
19 grounds that:

20 (1) The Request seeks documents that contain confidential business information
21 protected as trade secret. Responding Party has met and conferred with Defendant
22 regarding a potential protective order re: confidentiality, but Defendant has not yet
23

1 agreed to terms that properly define the scope of confidential information and
2 attorneys' eyes only information.

3 (2) The Request seeks documents that are protected by the attorney-client privilege
4 and/or the work product doctrine.

5 (3) The Request is vague, ambiguous and unintelligible in that, among other things,
6 it relies on a legal conclusion regarding the nature of documents that are relevant to
7 a legal position.

8 A. Prometheus's Points and Authorities on Issue 2:

9 There can be no dispute that documents supporting Penske's alleged damages from
10 copyright infringement are relevant. *See, e.g., Karnazes v. Cnty. of San Mateo*, 2010 WL
11 1910522, at *3-5 (N.D. Cal. May 11, 2010) (compelling plaintiff to produce "documents
12 in support of her damage claims as well as materials which evidence the nature and extent
13 of injuries suffered"). Penske's objections do not justify its complete refusal to produce
14 documents in response to this request. Indeed, Penske was required to produce
15 documents supporting its claim of damages even without any request by Prometheus. *See*
16 F.R.C.P. 26(a)(1)(A)(iii). Penske failed to do so.

17 B. Penske's Points and Authorities on Issue 2:

18 1. Again, Penske Stands Ready, Willing and Able to Produce the
19 Documents Demanded

20 Penske incorporates from its opposition to the discovery described in Prometheus'
21 "Issue #1" the argument that Penske already offered to produce any responsive
22 documents in its possession, subject to a protective order, but Prometheus rejected that
23 offer in favor of unnecessary motion practice. Thus, to the extent Penske has non-
24 privileged documents that reflect its lost profits (i.e. a reasonable royalty for the source

1 code), Penske is willing to produce such documents, pursuant to either party's proposed
2 protective order.

2. Prometheus Already Has the Remaining Documents It is Requesting

4 Title 17 of the United States Code, section 504(b) states, in relevant part, that
5 "[t]he copyright owner is entitled to recover . . . any profits of the infringer that are
6 attributable to the infringement." Further, in establishing the infringer's profits, the
7 copyright owner is required to present proof only of the infringer's gross revenue, and the
8 infringer is required to prove his or her deductible expenses and the elements of profit
9 attributable to factors other than the copyrighted work. See Polar Bear Prods. v. Timex
10 Corp., 2004 U.S. App. LEXIS 22131 (9th Cir. 2004).

11 Here, to the extent Penske's damages are based on the revenue that Prometheus
12 earned as a result of the unlawful copying, the relevant evidence for that analysis is
13 Prometheus' financial information relating to its use of the copied source code on the
14 homepage of The Hollywood Reporter's website. There is no need for Prometheus to
15 seek discovery of that information because those documents are uniquely within its own
16 possession, and Penske has no responsive documents. Thus, the Court should deny the
17 motion to compel such documents.

18 | V. PROMETHEUS'S CONCLUSION

19 For the foregoing reasons, if the Court entertains Penske's untimely Motion to
20 Compel, the Court should grant Prometheus's Motion to Compel.

VI. PENSKE'S CONCLUSION

For the foregoing reasons, the Court should deny Prometheus's Motion to Compel.

Dated: November 28, 2012

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